

CA1
EA 81
-1988
F51

GOVT

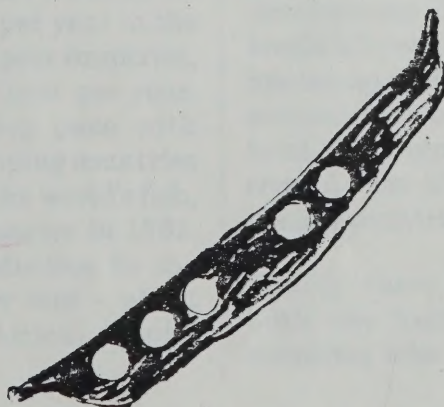
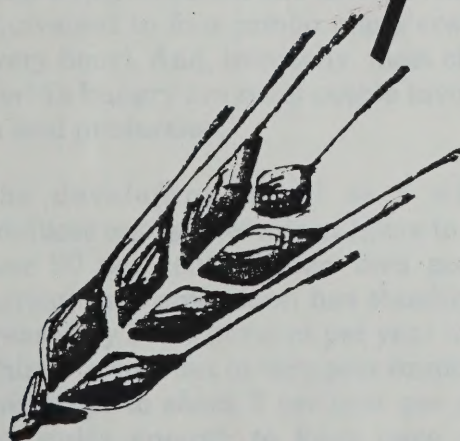
International
Development Agency

Agence canadienne de
développement international

Government
Publications

Food A ID

Canada's Program



Canada



Canadian International
Development Agency

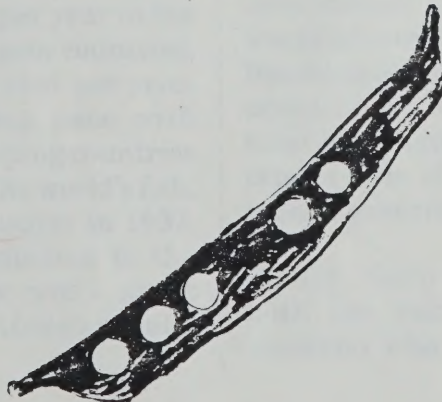
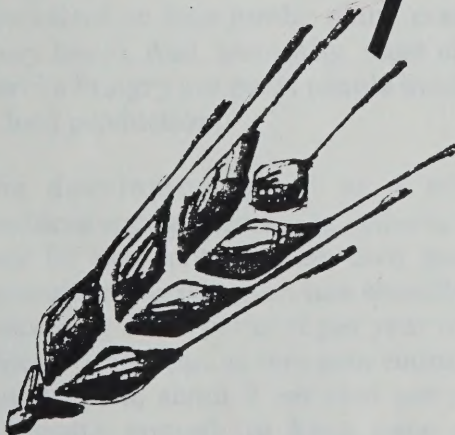
Agence canadienne de
développement international

CAI
EA81
- 1988
F51


2

Food A ID

Canada's Program



Canada



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115524894>

Canada's Food Aid Program

The Need for Food Aid

To feed all the world's people is a basic human goal. It is also a difficult challenge, with the global food situation presenting a complex mix of progress achieved and problems still unsolved.

Today the world feeds one billion more people than it did in 1974 and global food supplies, particularly grain, remain plentiful. But many developing countries are facing severe food shortages and about one person in five, worldwide, is undernourished. As Earth's population increases, the actual number of undernourished people also rises relentlessly ... by about 1.5 million a year during the 1970s. Yet, world population is growing by around 80 million a year, so the percentage who are undernourished is gradually falling. Every year an estimated 14 million children under five die from undernutrition and disease (that is equivalent to four jumbo plane crashes every hour). And, ironically, most of the world's hungry are rural people involved in food production.

The developing world as a whole produces enough cereals at home to feed over 90 per cent of their own people. Agricultural production has steadily increased by 3 to 4 per cent per year in the Third World -- but in very poor countries, this drops to about 2 per cent per year, not quite enough to keep pace with population growth. Developing countries now harvest about half of the world's fish, compared to about one-quarter in 1952. In Africa, total food production in the 1970s increased by 20 per cent -- about 1.5 per cent per year. But Africa's popula-

tion more than doubled between 1950 and 1980, rising by 33 per cent during the 1970s. So per capita production has actually declined, and the continent has become the focus of international concern about the world food problem. Asia, however, remains home to the largest number of hungry people -- and to the greatest progress in agriculture -- while significant undernutrition persists in the Caribbean and Latin America as well.

Each year, over 80 kilos of cereals per person are imported by developing countries, compared to 14 kilos in the early '60s. Ninety per cent of food imports into developing countries have nothing to do with food aid. They are paid for by these countries themselves. But some developing countries simply cannot afford to meet all of their "food gap" through commercial imports. Falling commodity prices, mounting debt payments and the global economic stagnation of recent years have sharply cut their international purchasing power. This is especially true for low-income, food-deficit nations. If food aid were not available, these countries would face an agonizing choice: use even more of their scarce foreign exchange earnings for food instead of for fuel, fertilizers, equipment and other imports essential to long-term development ... or let food consumption levels fall even further below the present, inadequate levels. So, although food aid accounts for only about 10 per cent of total developing country imports, it is a crucial form of assistance for many low-income countries.

Finally, there are millions of people in both the better-off and the poorest countries who cannot afford to buy the

food they need even when it is available, because they lack the income to translate their nutritional needs into an effective demand for food. For them, overcoming hunger depends not only on expanded production but also on having the money to buy food: they need viable employment and income-generation opportunities.

Objectives of Canada's Food Aid Program

Canadian food aid is used to improve the developmental and nutritional status of undernourished people by:

- increasing the amount of food available in food-deficit countries;

- accelerating the pace of development by freeing foreign exchange and generating domestic resources for investment;

- providing supplementary food to nutritionally vulnerable groups; and

- offering basic subsistence during emergency, relief and rehabilitation situations. Only about 25 per cent of Canada's food aid is emergency related, although most people think of food aid in this context.

Food aid is supplied for both its humanitarian and developmental impact and serves a variety of purposes. For example, feeding programs provide additional food to nutritionally vulnerable groups, particularly mothers and small children. Food-for-work projects offer employment to poor laborers and contribute to a country's development efforts by supporting the construction of roads, embankments, irrigation canals and other rural infrastructure. Since the developing world pays for 90 per cent of its food imports, it is not surprising that,

very often, food aid also provides balance-of-payments support, easing the financial strain on countries that cannot afford to import all of the food they need without undermining their long-term development efforts. When this food aid is sold in the local markets, it generates revenue that the country can use to invest in agricultural development projects, to fund incentive schemes for local farmers, to assist governments with policy reforms needed for long-term solutions to food problems, and to fund other development activities. Finally, food aid may be used to supplement national cereal stocks which are needed to offer some degree of food security in the face of sudden crop failures (resulting from floods, drought, insect infestations), and to moderate the sharp price increases which accompany such shortages.

Volume and Channels

Canada and other donor nations collaborate closely on food aid. We have undertaken an international obligation under the Food Aid Convention to provide a specified amount of grain as food aid every year, thus assuring developing countries of a guaranteed minimum food aid supply. Under the Convention, Canada is obligated to provide 600,000 metric tons of wheat or wheat equivalent each year.

Because Third World needs for food are large and growing, Canada's food aid program has consistently exceeded this minimum (see the attached tables). In recent years, Canada has provided more than \$400 million worth of food aid annually -- over \$1 million each day -- through the following three channels.

Multilateral food aid is provided primarily through the World Food Program (WFP) which uses it for food-for-work projects, feeding programs for nutritionally vulnerable groups, school feeding schemes, and other food aid projects. The WFP also administers the International Emergency Food Reserve (IEFR), which serves as a vehicle for emergency food aid.

Bilateral or government-to-government food aid is supplied directly to recipient governments, most often so that it may be sold on the local market. In such cases, the prices are watched closely so that local products are not undersold and production discouraged, and the revenue gained from selling the food is used for development purposes, particularly for agricultural projects and programs. Emergency food aid is also provided on a government-to-government basis, and is normally given free to refugees and victims of natural disasters or conflicts.

CIDA also helps Canadian *non-governmental organizations (NGOs)* use food aid in their overseas activities. CIDA supplements the donations made by Canadian farmers to the Canadian Foodgrains Bank, a consortium of church groups which encourages agricultural producers to become more involved in international development by contributing part of their crops as food aid. In addition, CIDA pays for skim milk powder and other food products to help NGOs meet emergency situations and to complement small-scale, food-for-work projects and feeding programs.

Commodity Composition

Wheat and flour make up the largest part of the food aid "basket", with non-cereal commodities, particularly canola oil, skim milk powder and fish, amounting to about 30 per cent of the total. Food aid purchases bring significant benefits to Canada's agricultural, fishing and dairy industries in every region of the country. For more information on the food aid basket, see the CIDA brochure *Food Aid: What Canada supplies and why*.

December 1988

Published under the authority of the Minister for
External Relations and International Development,
the Honourable Monique Landry

Produced by the Public Affairs Branch
Canadian International Development Agency
200 Promenade du Portage
Hull, Quebec
K1A 0G4

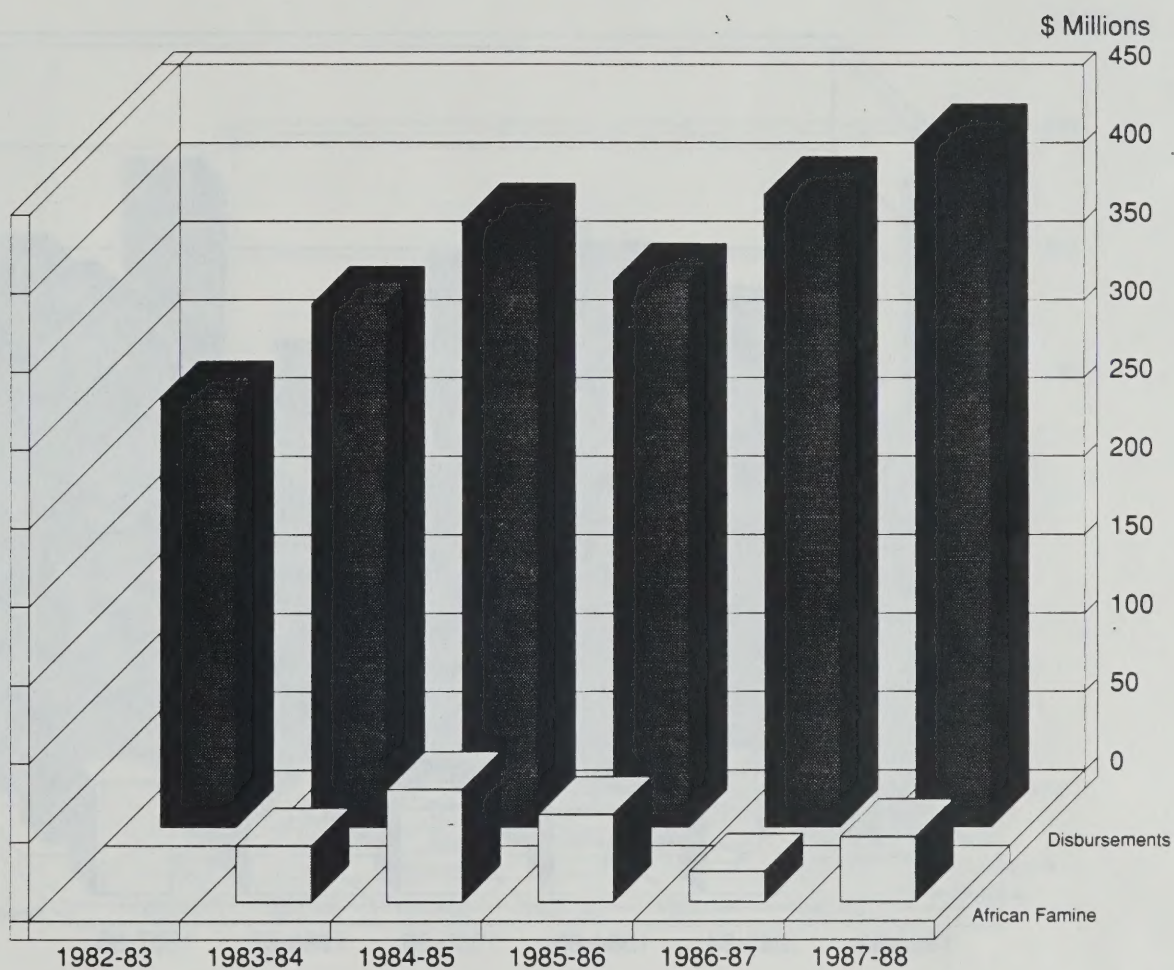
T: (819) 997-6100

New Policies for Food Aid

In March 1988, the Government announced a new action plan that will guide Canada's official development assistance program into the next century. Entitled *Sharing Our Future*, the strategy included several new policies to help make Canadian food aid an even more effective tool for development:

- within budget projections, food aid will continue to grow by 5 per cent annually;
- up to 75 per cent of Canadian bilateral and multilateral food aid will be allocated on a multi-year basis, to facilitate long-term planning and recovery;
- all countries eligible for Canadian assistance will be able to receive food aid for development purposes;
- food aid will be provided in ways that avoid discouraging local production, while meeting the needs of recipient countries by respecting local food preferences;
- food aid will be provided to countries with which CIDA, alone or with other bilateral and multilateral donors, has the capacity to engage in a dialogue on agricultural policies and to ensure an adequate follow-up;
- food aid will be provided when the recipient country has, or is willing to adopt, a sound policy for agricultural development;
- food aid will be used especially to help the recipient country reform its agricultural policy and/or carry out structural adjustments;
- Canada will increase its use of three-way cooperation (for example, delivering Canadian wheat to Zimbabwe in exchange for corn to be provided as food aid for Mozambique);
- Canada will be prepared to help recipients improve their capacity for information gathering, policy analysis, nutrition surveillance and food and agricultural planning;
- Canada will continue to allow up to 5 per cent of its food aid allocations for untied procurement;
- the Government will continue to place particular importance on multilateral food aid, particularly on the World Food Program. It will ensure that this aid is destined to the poorest populations of developing countries, encourages job creation and increases local agricultural production.

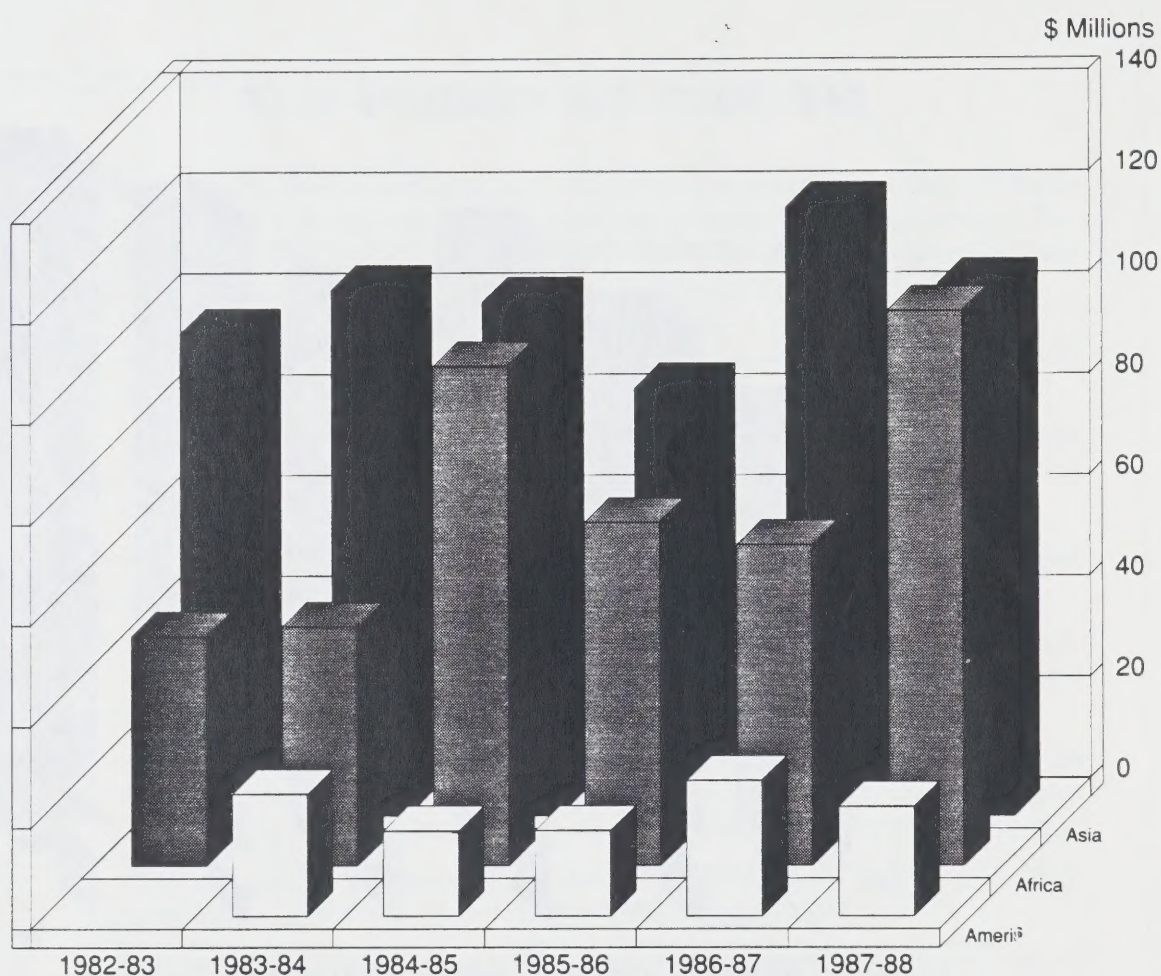
Food Aid Disbursements



1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
273	333	386	348	403	437
	(36)*	(72)*	(56)*	(20)*	(42)*

*Portion of total disbursements which were directed specifically to the African famine.

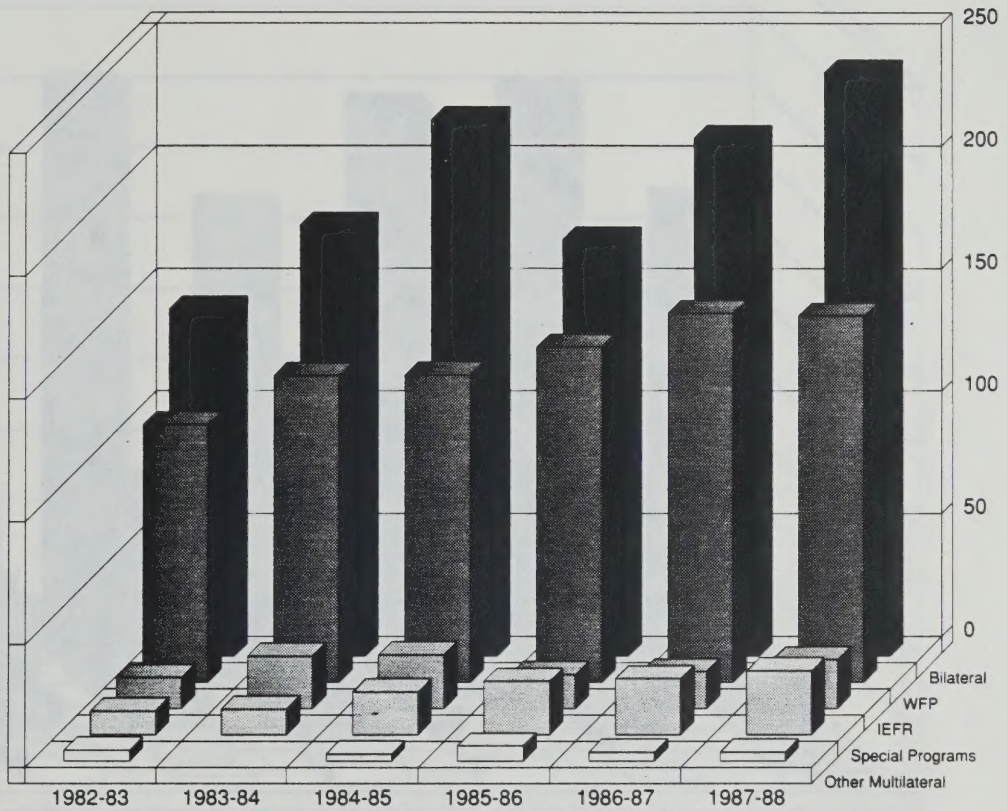
Canadian Bilateral Food Aid by Region



	82-83		83-84		84-85		85-86		86-87		87-88	
	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%
Asia	95.5	68	104.1	60	101.8	47	84.6	50	120.4	57	105.3	45
Africa	45.5	32	47.3	26	98.9	45	67.9	40	63.5	30	109.8	46
Americas	0	0	24.2	14	16.9	8	17.0	10	26.8	13	21.7	9
TOTAL	141.0	100	175.6	100	217.6	100	169.5	100	210.7	100	236.8	100

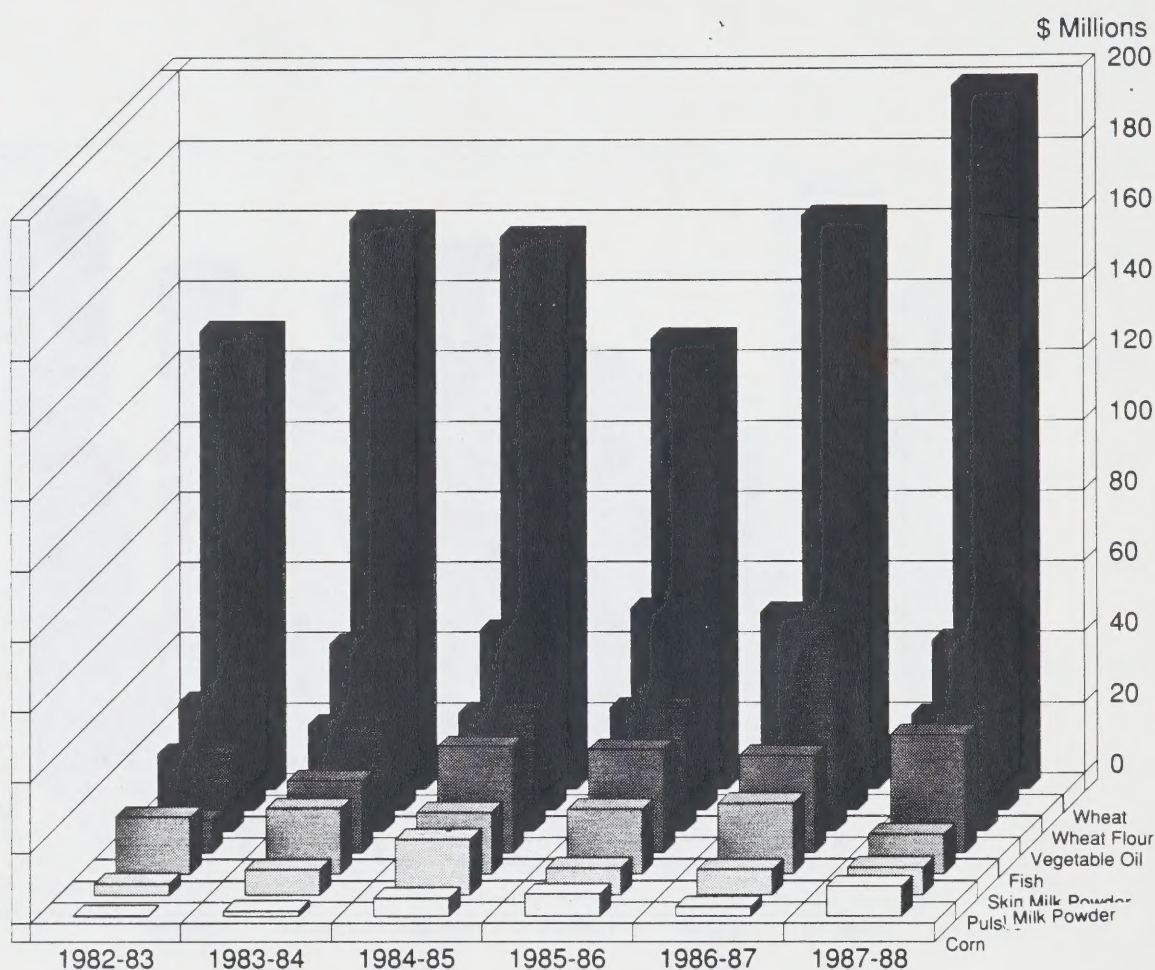
Canadian Food Aid by Channel

\$ Millions



Fiscal Year	Total	Bilateral		WFP		IEFR		Other Multilateral		Special Programs	
	\$M	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%
1982-83	273.2	141.5	52	104.9	38	12.6	5	4.5	2	9.7	3
1983-84	332.5	175.6	53	124.9	38	21.5	6	0	0	10.5	3
1984-85	385.8	218.4	57	125.1	32	21.9	6	2.9	1	17.5	4
1985-86	347.8	169.6	49	136.4	39	13.9	4	6.2	2	21.7	6
1986-87	402.8	211.0	52	150.3	37	15.0	4	3.7	1	22.8	6
1987-88	436.7	237.8	54	149.2	34	20.0	5	3.6	1	26.1	6

Commodity Composition



	Wheat		Wheat Flour		Corn*		Skim Milk Powder		Pulses		Vegetable Oil		Fish		Total**
	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M
82-83	130.1	61	30.7	14	0.3	1	16.2	8	3.3	2	22.1	10	9.3	4	212.4
83-84	161.6	56	47.1	16	1.6	1	18.6	6	7.2	3	30.3	11	20.5	7	287.2
84-85	156.9	50	51.1	16	5.1	2	17.4	6	15.9	5	33.6	11	30.2	10	310.4
85-86	127.9	45	57.2	20	6.4	2	18.4	7	7.7	3	35.0	13	29.2	10	282.2
86-87	162.7	49	46.8	14	2.7	.8	20.0	6	7.2	2	62.1	19	27.5	8	329.3
87-88	199.6	58	48.2	14	8.5	3	11.3	3	7.9	2	33.0	10	33.3	10	342.0+

*Includes maize flour.

**Commodity cost only.

* In addition, CIDA provided \$9.295 million to the IEF and NGOs for untied and unspecified commodity purchases.



3 1761 11552489 4